

HOUSE BILL No. 1889

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-10-1; IC 8-14-1-3; IC 9-15; IC 10-1-11.

Synopsis: State police funding. Establishes the state police fund and the bureau of motor vehicles commission fund. Changes the allocation of state gross retail and use taxes to include distributions to the state police and bureau of motor vehicles commission funds. Provides that motor vehicle highway account money may not be used to augment the budget of the bureau of motor vehicles commission. Removes a provision appropriating motor vehicle highway account money to the state police.

Effective: July 1, 1999.

Crooks

January 26, 1999, read first time and referred to Committee on Ways and Means.



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

HOUSE BILL No. 1889

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-10-1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. (a) The department
3 shall account for all state gross retail and use taxes that it collects.

4 (b) The department shall deposit those collections in the following
5 manner:

6 (1) Forty percent (40%) of the collections shall be paid into the
7 property tax replacement fund established under IC 6-1.1-21.

8 (2) ~~Fifty-nine and two-tenths percent (59.2%)~~ **Fifty-six and**
9 **three-tenths percent (56.3%)** of the collections shall be paid
10 into the state general fund.

11 (3) Seventy-six hundredths of one percent (0.76%) of the
12 collections shall be paid into the public mass transportation fund
13 established by IC 8-23-3-8.

14 (4) Four hundredths of one percent (0.04%) of the collections
15 shall be deposited into the industrial rail service fund established
16 under IC 8-3-1.7-2.

17 (5) **One and six-tenths percent (1.6%) of the collections shall**



1 be paid to the state police fund established under IC 10-1-11.
 2 (6) One and three-tenths percent (1.3%) of the collections
 3 shall be paid to the bureau of motor vehicles commission fund
 4 established under IC 9-15-5.

5 SECTION 2. IC 8-14-1-3 IS AMENDED TO READ AS FOLLOWS
 6 [EFFECTIVE JULY 1, 1999]: Sec. 3. (a) **The money collected for the**
 7 **motor vehicle highway account fund may not be used to augment**
 8 **the budget of the bureau of motor vehicles commission.**

9 (b) The money collected for the motor vehicle highway account
 10 fund and remaining after refunds ~~and the payment of all expenses~~
 11 ~~incurred in the collection thereof~~; and after the deduction of the amount
 12 appropriated to the department for traffic safety, ~~and after the~~
 13 ~~deduction of one-half (1/2) of the amount appropriated for the state~~
 14 ~~police department~~; shall be allocated to and distributed among the
 15 department and subdivisions designated as follows:

16 (1) Of the net amount in the motor vehicle highway account the
 17 auditor of state shall set aside for the cities and towns of the state
 18 fifteen percent (15%) thereof. This sum shall be allocated to the
 19 cities and towns upon the basis that the population of each city
 20 and town bears to the total population of all the cities and towns
 21 and shall be used for the construction or reconstruction and
 22 maintenance of streets and alleys and shall be annually budgeted
 23 as now provided by law. However, no part of such sum shall be
 24 used for any other purpose than for the purposes defined in this
 25 chapter. If any funds allocated to any city or town shall be used by
 26 any officer or officers of such city or town for any purpose or
 27 purposes other than for the purposes as defined in this chapter,
 28 such officer or officers shall be liable upon their official bonds to
 29 such city or town in such amount so used for other purposes than
 30 for the purposes as defined in this chapter, together with the costs
 31 of said action and reasonable attorney fees, recoverable in an
 32 action or suit instituted in the name of the state of Indiana on the
 33 relation of any taxpayer or taxpayers resident of such city or town.
 34 A monthly distribution thereof of funds accumulated during the
 35 preceding month shall be made by the auditor of state.

36 (2) Of the net amount in the motor vehicle highway account, the
 37 auditor of state shall set aside for the counties of the state
 38 thirty-two percent (32%) thereof. However, as to the allocation to
 39 cities and towns under subdivision (1), and as to the allocation to
 40 counties under this subdivision in the event that the amount in the
 41 motor vehicle highway account fund remaining after refunds and
 42 the payment of all expenses incurred in the collection thereof and

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after deduction of any amount appropriated by the general assembly for public safety and policing shall be less than twenty-two million six hundred and fifty thousand dollars (\$22,650,000), in any fiscal year then the amount so set aside in the next calendar year for distributions to counties shall be reduced fifty-four percent (54%) of such deficit and the amount so set aside for distribution in the next calendar year to cities and towns shall be reduced thirteen percent (13%) of such deficit. Such reduced distributions shall begin with the distribution January 1 of each year.

(3) The amount set aside for the counties of the state under the provisions of subdivision (2) shall be allocated monthly upon the following basis:

(A) Five percent (5%) of the amount allocated to the counties to be divided equally among the ninety-two (92) counties.

(B) Sixty-five percent (65%) of the amount allocated to the counties to be divided on the basis of the ratio of the actual miles, now traveled and in use, of county roads in each county to the total mileage of county roads in the state, which shall be annually determined, accurately, by the department.

(C) Thirty percent (30%) of the amount allocated to the counties to be divided on the basis of the ratio of the motor vehicle registrations of each county to the total motor vehicle registration of the state.

All money so distributed to the several counties of the state shall constitute a special road fund for each of the respective counties and shall be under the exclusive supervision and direction of the board of county commissioners in the construction, reconstruction, maintenance, or repair of the county highways or bridges on such county highways within such county.

(4) Each month the remainder of the net amount in the motor vehicle highway account shall be credited to the state highway fund for the use of the department.

(5) Money in the fund may not be used for any toll road or toll bridge project.

(6) Notwithstanding any other provisions of this section, money in the motor vehicle highway account fund may be appropriated to the Indiana department of transportation from the forty-seven percent (47%) distributed to the political subdivisions of the state to pay the costs incurred by the department in providing services to those subdivisions.

(7) Notwithstanding any other provisions of this section or of

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IC 8-14-8, for the purpose of maintaining a sufficient working balance in accounts established primarily to facilitate the matching of federal and local money for highway projects, money may be appropriated to the Indiana department of transportation as follows:

(A) One-half (1/2) from the forty-seven percent (47%) set aside under subdivisions (1) and (2) for counties and for those cities and towns with a population greater than five thousand (5,000).

(B) One-half (1/2) from the distressed road fund under IC 8-14-8.

SECTION 3. IC 9-15-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. The commission shall do the following:

(1) Develop and continuously update the bureau's policies.

(2) Recommend to the governor legislation that is needed to implement the policies developed by the commission.

(3) Recommend to the bureau proposed rules that are needed to implement the policies developed by the commission and require those proposed rules to be adopted under IC 4-22-2.

(4) Review, revise, adopt, and submit to the budget agency budget proposals for the commission, the bureau, and the license branches operated under IC 9-16, including the budget required by IC 9-16-3-3.

(5) Establish the determination criteria and determine the number and location of license branches to be operated under IC 9-16. However, there must be at least one (1) full service license branch in each county.

(6) Establish and adopt minimum standards for the operation and maintenance of each full service license branch operated under IC 9-16.

(7) Before January 1, 1997, establish and adopt minimum standards for the operation and maintenance of each partial service contractor under IC 9-16. The standards must result in more convenience to the public by providing license branch services at as many walk-up locations as possible without increasing the costs of providing these services.

(8) Before March 1, 1997, establish and adopt minimum standards for providing license branch services using telephonic, facsimile, electronic, or computer means under IC 9-16.

(9) Administer the state license branch fund established under IC 9-29-14.



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(10) Administer the bureau of motor vehicles commission fund established under IC 9-15-5.

SECTION 4. IC 9-15-5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 5. Bureau of Motor Vehicles Commission Fund

Sec. 1. The bureau of motor vehicles commission fund is established for the purpose of paying the expenses incurred in the operation of the commission. The fund shall be administered by the commission.

Sec. 2. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 3. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. The fund consists of the following:

(1) State gross retail and use taxes deposited into the fund under IC 6-2.5-10-1.

(2) Money received from any other source, including appropriations.

SECTION 5. IC 10-1-11 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]:

Chapter 11. State Police Fund

Sec. 1. The state police fund is established for the purpose of paying the expenses incurred in the operation of the state police department. The fund shall be administered by the department.

Sec. 2. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 3. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 4. The fund consists of the following:

(1) State gross retail and use taxes deposited into the fund under IC 6-2.5-10-1.

(2) Money received from any other source, including appropriations.

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